

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-10  
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TO SECSTATE WASHDC 6303  
INFO AMEMBASSY BRIDGETOWN  
AMEMBASSY KINGSTON  
AMEMBASSY PARAMARIBO  
AMEMBASSY PORT OF SPAIN

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E.O. 11652: N/A  
TAGS: ECON, EFIN, GY  
SUBJECT: GUYANA INAUGURATES CENTRAL PLANNING FOR ECONOMY

REF: GEORGETOWN 0649

SUMMARY: THE GOG HAS ESTABLISHED A STATE PLANNING COMMISSION TO HELP FUN THE NOW LARGELY STATE OWNED ECONOMY. ADVISORY BODIES WITHIN THE STRUCTURE OF THE COMMISSION WILL PROVIDE A "DEMOCRATIC CORE" FOR THE PLANNING PROCESS. THE COMMISSION WILL PREPARE DEVELOPMENT PLANS, MONITOR PERFORMANCE OF BOTH CENTRAL GOVERNMENT AGENCIES AND PUBLIC SECTOR CORPORATIONS, AND SET ECONOMIC AND SOCIAL TARGETS FOR THE ECONOMY. THE GOVERNMENT REGERDS THE COMMISSION AS A VEHICLE TO ENSURE EFFICIENT ALLOCATION OF RESOURCES AND TO FULLY MOBILIZE THE ECONOMY. END SUMMARY.

1. IMPLEMENTING ENABLING LEGISLATION PASSED NOVEMBER 1977,  
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THE GOG ON FEBRUARY 23 INSTITUTED A "STATE PLANNING COMMISSION" RESPONSIBLE FOR CENTRAL PLANNING OF THE ECONOMY "WITHIN THE FRAMEWORK OF THE SOCIALIST PHILOSOPHY AND OBJECTIVES OF GOVERNMENT". THIS NEW GOVERNMENT AGENCY COMPRISES SEVERAL ORGANS UNDER THE CONTROL OF THE CABINET AND RESPONSIBLE TO THE MINISTER OF ECONOMIC DEVELOPMENT. AT THE TOP OF THE STRUCTURE IS THE STATE PLANNING BOARD WHICH

ENSURES THAT THE EXECUTIVE ORGAN OF THE COMMISSION, THE PLANNING SECRETARIAT, PALANS ACCORDANCE WITH GOVERNMENT OBJECTIVES. TWO ADVISORY BODIES, A BROAD-BASED NATIONAL ECONOMIC AND SOCIAL ADVISORY COUNCIL AND A SMALLER TECHNICAL ADVISORY COMMITTEE, HAVE ALSO BEEN CONSTITUTED TO PERMIT PARTICIPATION OF INTEREST GROUPS, INCLUDING POLITICAL PARTIES, TRADE UNIONS AND OTHER MASS ORGANIZATIONS, IN THE PLANNING PROCESS.

2. DURING PARLIAMENTARY DEBATES ON THE PLANNING BILL, MINISTER OF ECONOMIC DEVELOPMENT DESMOND HOYTE STATED THAT THE BASIC OBJECTIVE OF THE COMMISSION IS TO ENSURE MOBILIZATION, DEPLOYMENT AND UTILIZATION OF ALL THE COUNTRY'S RESOURCES AND THAT "ONE COULD NEVER CONCEIVE OF CENTRAL PLANNING AS BEING A RIGID AND INFLEXIBLE SYSTEM".

THE MAIN FUNCTIONS OF THE COMMISSION WILL BE THE PREPARATION OF DEVELOPMENT PLANS, MONITORING EXECUTION, CONDUCTING RESEARCH AND ADVISING STATE AGENCIES. IN HIS REPUBLIC DAY SPEECH FEBRUARY 22 (SEE REFTTEL), PRIME MINISTER BURNHAM EMPHASIZED THAT SETTING TARGETS, BOTH FINANCIAL AND SOCIAL, FOR PUBLIC SECTOR CORPORATIONS, WHICH TOGETHER WITH THE GOVERNMENT, NOW CONTROL 80 PERCENT OF THE ECONOMY, WILL BE A PRIMARY DUTY OF THE COMMISSION. THE COMMISSION WILL ALSO PERIODICALLY REVIEW ACCOMPLISHMENTS OF GOG BUDGET TARGETS AND MAKE RECOMMENDATIONS. THE COMMISSION WILL HAVE BROAD POWERS TO SUBPOENA INFORMATION FROM LIMITED OFFICIAL USE

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GOVERNMENT AGENCIES AND CORPORATIONS.

3. THE OFFICE OF THE PRIME MINISTER NAMED CLARENCE ELLIS, DEPUTY GOVERNOR OF THE BANK OF GUYANA, AS CHAIRMAN OF THE STATE PLANNING BOARD. HASLYN PARRIS, CHIEF EXECUTIVE OFFICER OF GUYMINE (THE STATE BAUXITE MONOPOLY), WAS APPOINTED DUPUTY CHAIRMAN OF THE BOARD, AS WELL AS CHAIRMAN OF THE TECHNICAL ADVISORY COMMITTEE. BASIL BLAIR, PREISENT OF THE TRADES UNION CONGRESS, IN ADDITION TO BEING NAMED TO THE BOARD, WAS APPOINTED CHAIRMAN OF THE NATIONAL ECONOMIC AND SOCIAL ADVISORY COUNCIL.

4. THE BOARD INCLUDES NINE OTHER MEMBERS FROM A BROAD RANGE OF ORGANIZATIONS: PRINCIPAL OF THE CUFFY IDEOLOGICAL INSTITUTE, RANJI CHANDISINGH; VICE CHANCELLOR OF THE UNIVERSITY OF GUYANA, DR. DENNIS IRVINE; SECRETARY TO THE BAUXITE INDUSTRY DEVELOPMENT COMPANY, A. KRISHNAN; PUBLIC SERVICE MINISTRY PERMANENT SECRETARY, CECIL DOUGLAS; CHIEF STATISTICIAN, PAMELA CHASE; DEPUTY SECRETARY OF THE TREASURY, WINSTON MURRAY; GUYANA SUGAR CORPORATION TRAINING OFFICER, ABDUL BAKSH; LECTURER IN GEOGRAPHY, UNIVERSITY OF GUYANA, DR. LESLEY POTTER;

AND GOVERNMENT MANAGEMENT CONSULTANT, DR. AUBREY ARMSTRONG.  
CHIEF PLANNING OFFICER DONALD AUGUSINTE, WHO NOW HEADS UP  
THE PLANNING SECRETARIAT, WILL ACT AS AN EX-OFFICIO MEM-  
BER OF THE BOARD AND ITS SECRETARY.

5. COMMENT:. ALTHOUGH ECONOMIC CONTROLS, INCLUDING IMPORT  
LICENSING AND FOREIGN EXCHANGE ALLOCATIONS HAVE BEEN IN  
EFFECT FOR SOME TIME. THE NEW COMMISSION REPRESENTS  
GUYANA'S FIRST EFFORT TO SYSTEMATIZE AND INSTITUTIONALIZE  
CENTRAL ECONOMIC PLANNING. THE FOCUS OF THE PLANNING EFFORT  
WILL BE ON PUBLIC SECTOR CORPORATIONS, WHICH HAVE OPERATED  
AUTONOMOUSLY ON THE BASIS OF MANAGEMENT PRINCIPLES IN-  
HERITED FROM THEIR FORMER OWNERS WITHOUT REFERENCE TO AN  
OVERALL PLAN. IN MANY CASES, NATIONALIZATION HAS CREATED  
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INEFFICIENCY AND LAX WORK ATTITUDES, WHICH HAVE REDUCED  
SURPLUSES AND MADE SOME COMPANIES DEPENDENT ON SUBSIDIES  
FROM THE TREASURY. THE GOAL NOW IS TO "RATIONALIZE,  
HARMONIZE AND UNIFY" THESE FIRMS INTO ONE BASIC SYSTEM  
RESPONSIVE TO THE COUNTRY'S DEVELOPMENT OBJECTIVES. HOW  
THIS IS TO BE ACCOMPLISHED REMAINS TO BE SEEN. HOWEVER,  
ALREADY A PLANNING BUDGET FOR CAPITAL EXPENDITURES, WHICH  
INCLUDES THESE COMPANIES, HAS BEEN DRAWN UP AND INTEGRATED  
INTO THE GOVERNMENT'S FISCAL BUDGET. IN ANY EVENT, THE  
GOG NOW HAS A MECHANISM TO EXERCISE A MORE DIRECT CONTROL  
OVER THE OPERATION OF THE ECONOMY AND TO EXERT PRESSURE  
ON THE MANAGEMENT OF STATE ENTERPRISES TO MEET SPECIFIED  
TARGETS FOR PRODUCTION AND INVESTMENT.  
BLACKEN

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## Message Attributes

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